

Stock not part of proposed sale

Times-Mirror to sell Sun Papers to Gannett for cash

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The cash purchase price of The Sun Co., San Bernardino, Calif., rumored at about \$24 million, will not be disclosed until a contract for the court-ordered sale of the property is signed by the Gannett Co., of Rochester, N. Y., and the Times-Mirror Co., of Los Angeles.

The signing is expected to come "in three or four weeks," according to a statement issued Oct. 2 by Paul Miller, president of the Gannett Co., owner of 30 newspapers and nine television and radio stations in New York, New Jersey, Connecticut, Illinois and Florida.

Agreement in principle for the sale of the Sun Co., publisher of the San Bernardino newspapers, by the Times-Mirror Co., publishers of the Los Angeles Times, to the Gannett Co. was announced Sept. 27. Terms of the sale which must be approved by the United States District Court for the Central District of California were not disclosed.

Miller's subsequent clarifying statement said that "the proposed purchase would not involve any stock. It would be a cash transaction.

"The purchase price and other terms will be announced when a final contract is executed, which is expected to be in three or four weeks."

Miller said that "the addition of the San Bernardino papers would not have any material effect on Gannett's earnings in 1969, although we are enthusiastic about the long-term potential."

Otis Chandler, publisher of the Los Angeles Times, said, "I would not wish to add to anything Mr. Miller has said at this time. He is correct and has said about all that can now be said on the sale."

Miller and Chandler were in New York this week for an Associated Press Board meeting. Miller is AP president and Chandler is a member of the board.

Announcement of the "agreement in principle," issued from San Bernardino by Franklin D. Murphy, Times-Mirror chairman, and Miller, had stated that

"the proposed transaction is subject to preparation of a definitive agreement and approval by the boards of directors of both companies," and that the sale "also must be submitted for approval to the U.S. District Court."

It was learned that approval by the two boards was "a mere formality," according to reliable authority, and that there was nothing before the court that would cause U.S. District Judge Warren J. Ferguson to block the proposed sale.

The San Bernardino papers, the morning Sun and the evening Telegram, are published by the Sun Co., which the Times-Mirror purchased for \$15 million in 1964.

Last October, in an anti-trust suit brought by the U.S. Department of Justice, Judge Ferguson ordered the Times-Mirror

to sell the papers. Times-Mirror lost in appeal to the U.S. Supreme Court, and last July Judge Ferguson set a July 27, 1969, deadline for Times-Mirror to find a buyer of the property.

The sale order specified that the buyer could not be another Southern California publisher, an official of the Times-Mirror Co., or anyone owning 5% or more of Times-Mirror stock. Furthermore, Times-Mirror was ordered to provide the court with complete terms of any sales agreement at least 60 days before the transaction was closed, and to keep the court posted on any and all offers received.

At least 20 newspaper organizations are believed to have been interested in the property with offers ranging up to \$24 million.

Gross revenues of the Sun Co. in 1967 were \$10 million. Gross

operating revenues for the Gannett Co. during the same period were also \$10 million.

The San Bernardino Sun and evening Telegram have a combined circulation of 78,000, and publish a weekend edition, the Sun-Telegram, with a circulation of 80,000.

The Sun Co. also owns: Acme Colorprint Co., which prints Sunday color comics for 52 western newspapers; the Inland Printing and Engraving Co., a commercial jobber; and substantial real estate in down town San Bernardino. The city lies 60 miles east of Los Angeles, and is the county seat of San Bernardino County, which has a population of 750,000 and is the largest in area in the U.S.

The Gannett "home" papers are the Democrat & Chronicle and the Times-Union of Rochester. Miller said the Gannett Co. would "not plan any major policy changes or changes in the management which have built the San Bernardino newspapers to their present high standing. This is in line with the principle of local autonomy long basic to the operation of the Gannett Group."

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